

**TOP SECRET**  
SECURITY INFORMATION

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FAR EAST

1. Japanese Foreign Minister puzzled over Chinese attitude at Panmunjom: Japanese Foreign Minister Okazaki, in a conversation with Ambassador Murphy on 13 August, professed to be puzzled over the Chinese Communists' unwillingness to accept the "reasonable" UN proposition on Chinese POW's. He said that he could not believe that the question of the return of 14,000 prisoners in itself was a sufficient obstacle to prevent Chinese acceptance of the UN conditions in view of their ability to present the question to their public in a favorable light. (C S/S Tokyo 583, 13 Aug 52)

Comment: The Japanese press likewise has supported the UN position against the forced repatriation of POW's.

NEAR EAST-AFRICA

2. France sets conditions for American troop increase in Morocco: France will not consider raising the ceiling on American troops in Morocco until "some sort of statement" on the Moroccan political situation has been negotiated and an agreement reached on the status of American troops in the area.

The Foreign Ministry official who presented this position explained that the government needs a political statement to satisfy parliament and public opinion. (TS Paris 860, 8 Aug 52)

Comment: Broader American support of French policies in return for base rights has long been a government objective and is a major Gaullist demand. Premier Pinay's concern for ratification of the EDC treaty has led him to court the Gaullist dissidents, who recently vowed to abide by General de Gaulle's foreign policy demands. The government can therefore be expected to increase its pressure on the United States for political commitments.

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WESTERN EUROPE

3. East German production goals for Alert Police transport in 1953 held low: American officials in Frankfurt assert that tentative targets drawn up by the East German Government for the production of vehicles for military use in 1953 are "surprisingly low." Although these targets may have been set prior to the receipt of detailed requirements from the various services, some of them are said to be even below the minimum guaranteed production figures previously requested by the Soviet Control Commission.

Meanwhile, partial information on the revised 1952 budget suggests a shift in emphasis from weapons and ammunition procurement to the procurement of motor transport. American observers in Frankfurt caution, however, that weapons may be covered in separate allocations, and that increased appropriations for vehicles may reflect higher costs rather than higher targets. (S/Sensitive Frankfurt, Sitrep 30, F-3, 13 Aug 52)

Comment: Soviet allocations of vehicles and weapons equipment to the Alert Police render East German budget estimates of uncertain significance in determining the rate of expansion and equipment of East German paramilitary units. American Army officials in Germany have recently reported that Soviet importations of military vehicles into East Germany far exceed 1950-51 levels and that at least some of these vehicles may be destined for East German use.

4. Norway reported adamant against US bases: According to UN Secretary General Lie, Norwegian Labor Party Chairman Gerhardsen is convinced that any effort at this time to alter Norway's base policy would split the Labor Party and have serious repercussions on Norway's participation in NATO, and might even lead to the party's losing control of the government in the 1953 elections. Lie states, however, that both Gerhardsen, and Prime Minister Torp recognize the need for stationing foreign forces in Norway.

The American Ambassador in Oslo comments that Gerhardsen's statements to Lie are in accord with information obtained from other sources.

Lie also stated that the Swedes believe a positive move by Norway would inevitably lead to an extension of the Soviet defense establishment toward Sweden. (TS Oslo 130, 9 Aug 52)

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**Comment:** The Norwegian Government is determined to avoid the political crisis it feels might be precipitated if it attempted to reverse its frequently proclaimed policy of no foreign bases in Norway in peacetime. Gerhardsen's predictions, however, seem unduly pessimistic.

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